

Banking History Through the Ages

History Of Banking · Answer Key · 18 Questions

1. In ancient Mesopotamia, what were the earliest 'banks' primarily used to store?

- A) Gold coins
- B) Grain and agricultural produce**
- C) Paper promissory notes
- D) Precious silks

2. What is the name of the oldest continuously operating bank in the world, founded in Italy in 1472?

- A) Bank of England
- B) Banca Monte dei Paschi di Siena**
- C) JPMorgan Chase
- D) Bank of Venice

3. During the Middle Ages, what item did the Knights Templar invent to allow pilgrims to deposit money in one country and withdraw it in another?

- A) Letter of credit**
- B) Debit cards
- C) Iron locks
- D) Encrypted scrolls

4. Which city is widely considered the birthplace of modern banking during the Renaissance?

- A) Paris
- B) London
- C) Florence**
- D) Berlin

5. In 1694, which institution was established as the first modern central bank to fund the British government?

- A) The Royal Mint
- B) The Bank of England**
- C) The Bank of Scotland
- D) The Exchequer

6. What were 'banknotes' originally in the 17th century?

- A) Checks written by private goldsmiths
- B) Government-issued plastic cards
- C) Receipts for gold stored at a goldsmith**
- D) Digital currency logs

7. Which ancient civilization is credited with creating the first standardized metal coins around 600 BCE?

- A) The Egyptians
- B) The Lydians**
- C) The Romans
- D) The Persians

8. What was the primary purpose of the 'Medici Bank' in the 15th century?

- A) To provide insurance for ships
- B) To facilitate international trade and currency exchange**
- C) To issue credit cards to kings
- D) To store agricultural tools

9. Before modern banking, what group of professionals often acted as the first bankers by safeguarding valuables in their strongrooms?

- A) Blacksmiths
- B) Goldsmiths**
- C) Tailors
- D) Farmers

10. In 1950, what was the first 'universal' credit card, made of cardboard, introduced in the United States?

- A) Visa
- B) Mastercard
- C) Diners Club**
- D) American Express

11. The term 'bank' comes from the Italian word 'banco', which translates to what?

- A) A ledger
- B) A vault
- C) A bench**
- D) A coin

12. What was the 'Gold Standard' system, which fixed the value of currency to a specific weight of gold?

- A) A way to make coins shinier
- B) A method to stabilize international exchange rates**
- C) A competition for the best gold mines
- D) A type of high-interest savings account

13. During the Great Depression, what did the US government create to ensure people would not lose their money if a bank failed?

A) Federal Reserve System

B) Federal Deposit Insurance Corporation (FDIC)

C) The Stock Market

D) World Bank

14. In which country did the first 'paper money' appear during the Tang Dynasty?

A) China

B) Japan

C) India

D) Korea

15. What is the oldest bank in the United States, founded in 1784 by Alexander Hamilton?

A) Bank of America

B) The Bank of New York

C) Citibank

D) Federal Reserve

16. What were 'tally sticks' used for in medieval England for financial accounting?

A) To count daily customers

B) To record debts by notches on wood

C) To measure the size of gold bars

D) To sign official legal documents

17. Which invention in the 1960s allowed customers to withdraw cash without entering a bank branch?

A) The internet

B) The Automated Teller Machine (ATM)

C) The checkbook

D) Credit registers

18. What was the purpose of the 'Bretton Woods Agreement' of 1944?

A) To trade goods for spices

B) To establish rules for international financial cooperation

C) To invent the first debit card

D) To close all small banks